

# LCT HOLDINGS LIMITED

Incorporated in Bermuda  
Company Registration No. 35673

## UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SECOND QUARTER ENDED 31 DECEMBER 2019

### PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

- 1 (a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group Income Statement for the second quarter ended 31 December 2019. These figures have not been audited.

#### Income Statement For 2<sup>nd</sup> Quarter

	<-----The Group----->					
	FY2020	FY2019		FY2020	FY2019	
	2 <sup>nd</sup> Qtr	2 <sup>nd</sup> Qtr		1 <sup>st</sup> Half	1 <sup>st</sup> Half	
	1 Oct 19 to	1 Oct 18 to	+/( -)	1 Jul 19 to	1 Jul 18 to	+/( -)
	31 Dec 19	31 Dec 18		31 Dec 19	31 Dec 18	
	RMB'000	RMB'000	%	RMB'000	RMB'000	
<b>Revenue</b>	<b>5,288</b>	<b>3,018</b>	<b>75</b>	<b>10,461</b>	<b>6,501</b>	<b>61</b>
Cost of sales	(555)	(530)	5	(1,171)	(1,317)	(11)
<b>Gross profit</b>	<b>4,733</b>	<b>2,488</b>	<b>90</b>	<b>9,290</b>	<b>5,184</b>	<b>79</b>
Other gains	665	155	329	1,004	291	245
Administrative expenses	(4,574)	(1,953)	134	(8,062)	(3,458)	133
<b>Profit before income tax</b>	<b>824</b>	<b>690</b>	<b>19</b>	<b>2,232</b>	<b>2,017</b>	<b>11</b>
Income tax expense	(619)	(318)	95	(988)	(624)	58
<b>Profit for the period</b>	<b>205</b>	<b>372</b>	<b>(45)</b>	<b>1,244</b>	<b>1,393</b>	<b>(11)</b>
<b>Profit for the period attributable to:</b>						
Owners of the Company	148	372	(60)	1,057	1,393	(24)
Non-controlling interests	57	-	-	187	-	-
	<b>205</b>	<b>372</b>	<b>(45)</b>	<b>1,244</b>	<b>1,393</b>	<b>(11)</b>

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### Statement of Comprehensive Income

	←-----The Group-----→					
	FY2020 2 <sup>nd</sup> Qtr	FY2019 2 <sup>nd</sup> Qtr		FY2020 1 <sup>st</sup> Half	FY2019 1 <sup>st</sup> Half	
	1 Oct 19 to 31 Dec 19	1 Oct 18 to 31 Dec 18	+/( -)	1 Jul 19 to 31 Dec 19	1 Jul 18 to 31 Dec 18	+/( -)
	RMB'000	RMB'000	%	RMB'000	RMB'000	
<b>Profit for the period</b>	<b>205</b>	<b>372</b>	<b>(45)</b>	<b>1,244</b>	<b>1,393</b>	<b>(11)</b>
<b>Other comprehensive income, net of tax</b>						
<b>Items that may be reclassified subsequently to profit or loss:</b>						
Currency translation						
- Group	(361)	(144)	149	551	1,056	(48)
<b>Other comprehensive income for the period, net of tax amounting to nil</b>	<b>(361)</b>	<b>(144)</b>	<b>149</b>	<b>551</b>	<b>1,056</b>	<b>(48)</b>
<b>Total comprehensive income for the period</b>	<b>(156)</b>	<b>228</b>	<b>(168)</b>	<b>1,795</b>	<b>2,449</b>	<b>(27)</b>
<b>Total comprehensive income</b>						
<b>Attributable to :</b>						
Owners of the Company	(213)	228	(193)	1,608	2,449	(34)
Non controlling interests	57	-	-	187	-	-
	<b>(156)</b>	<b>228</b>	<b>(168)</b>	<b>1,795</b>	<b>2,449</b>	<b>(27)</b>

#### Notes:

Profit before tax is determined after crediting/(charging) the following:

	←-----The Group-----→					
	FY2020 2 <sup>nd</sup> Qtr	FY2019 2 <sup>nd</sup> Qtr		FY2020 1 <sup>st</sup> Half	FY2019 1 <sup>st</sup> Half	
	1 Oct 19 to 31 Dec 19	1 Oct 18 to 31 Dec 18	+/( -)	1 Jul 19 to 31 Dec 19	1 Jul 18 to 31 Dec 18	+/( -)
	RMB'000	RMB'000	%	RMB'000	RMB'000	
(a) Bank interest income*	130	4	3,150	310	6	5,067
(b) Net fair value gain for financial assets at fair value through profit or loss*	57	2	2,750	135	24	463
(c) Depreciation of property, plant and equipment	(76)	(37)	105	(144)	(74)	95
(d) Exchange difference, net*	(70)	(2)	3,400	8	110	(93)

\*Included in other gains.

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1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

## Statements of Financial Position

	<----- Group----->		<----- Company----->	
	As at 31 Dec 19	As at 30 Jun 19	As at 31 Dec 19	As at 30 Jun 19
	RMB'000	RMB'000	RMB'000	RMB'000
<b>ASSETS AND LIABILITIES</b>				
<b>Non-current assets</b>				
Property, plant and equipment	639	653	-	-
Investment property	128,000	128,000	-	-
Intangible assets	700	700	-	-
Goodwill	1,388	1,388	-	-
Interests in subsidiaries	-	-	125,366	128,183
	<b>130,727</b>	<b>130,741</b>	<b>125,366</b>	<b>128,183</b>
<b>Current assets</b>				
Cash and bank balances	49,817	51,662	2,034	332
Financial assets at fair value through profit or loss	6,700	2,950	-	-
Trade receivables	186	-	-	-
Other receivables	841	552	-	37
	<b>57,544</b>	<b>55,164</b>	<b>2,034</b>	<b>369</b>
<b>Current liabilities</b>				
Trade payables	2	704	-	-
Other payables	20,716	20,067	629	1,195
	<b>20,718</b>	<b>20,771</b>	<b>629</b>	<b>1,195</b>
<b>Net current assets/(liabilities)</b>	<b>36,826</b>	<b>34,393</b>	<b>1,405</b>	<b>(826)</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities	16,422	15,798	-	-
<b>Net assets</b>	<b>151,131</b>	<b>149,336</b>	<b>126,771</b>	<b>127,357</b>
<b>EQUITY</b>				
Share capital	65,608	65,608	65,608	65,608
Treasury shares	(90,042)	(90,042)	(90,042)	(90,042)
Reserves	174,925	173,317	151,205	151,791
Equity attributable to owners of the company	<b>150,491</b>	<b>148,883</b>	<b>126,771</b>	<b>127,357</b>
Non controlling interest	640	453	-	-
<b>Total equity</b>	<b>151,131</b>	<b>149,336</b>	<b>126,771</b>	<b>127,357</b>

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

There was no borrowing of the Company and the Group as at 30 June 2019 and 31 December 2019.

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- 1(c) A statement of cash flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

### Statement of cash flows for 2<sup>nd</sup> Quarter Ended 31 December 2019

	<-----The Group----->			
	FY2020 2 <sup>nd</sup> Qtr 1 Oct 19 to 31 Dec 19 RMB'000	FY2019 2 <sup>nd</sup> Qtr 1 Oct 18 to 31 Dec 18 RMB'000	FY2020 1 <sup>st</sup> Half 1 Jul 19 to 31 Dec 19 RMB'000	FY2019 1 <sup>st</sup> Half 1 Jul 18 to 31 Dec 18 RMB'000
<b>Cash flow from operating activities</b>				
Profit before income tax	824	690	2,232	2,017
Adjustments for:				
Bank interest income	(130)	(4)	(310)	(6)
Net fair value gain for financial assets at fair value through profit or loss	(57)	(2)	(135)	(24)
Depreciation of property, plant and equipment	76	37	144	74
Exchange difference, net	70	2	(8)	(110)
<b>Operating cash flows before movements in working capital</b>	<b>783</b>	<b>723</b>	<b>1,923</b>	<b>1,951</b>
Trade receivables	(182)	44	(186)	-
Other receivables	(510)	(28)	(289)	(71)
Trade payables	(725)	-	(702)	-
Other payables and trade deposits received from customers	(988)	(873)	605	(691)
Income tax paid	(307)	-	(364)	-
<b>Net cash (used in)/generated from operating activities</b>	<b>(1,929)</b>	<b>(134)</b>	<b>987</b>	<b>1,189</b>
<b>Cash flow from investing activities</b>				
Interest received	130	4	310	6
Interest received from financial assets at fair value through profit or loss	57	2	135	24
Purchase of property, plant and equipment	(20)	-	(47)	-
Purchase of intangible assets	-	(50)	-	(50)
Acquisition of financial assets at fair value through profit or loss	(3,900)	(1,500)	(3,900)	(2,200)
Redemption of financial assets at fair value through profit or loss	-	-	150	-
Advance from/( to) independent third party	-	100	-	(11,400)
<b>Net cash used in investing activities</b>	<b>(3,733)</b>	<b>(1,444)</b>	<b>(3,352)</b>	<b>(13,620)</b>
<b>Cash flow from financing activities</b>				
Repayment of lease liabilities	(26)	-	(39)	-
<b>Net cash used in financing activities</b>	<b>(26)</b>	<b>-</b>	<b>(39)</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(5,688)</b>	<b>(1,578)</b>	<b>(2,404)</b>	<b>(12,431)</b>

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	<-----The Group----->			
	<b>FY2020</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2019</b>
	<b>2<sup>nd</sup> Qtr</b>	<b>2<sup>nd</sup> Qtr</b>	<b>1<sup>st</sup> Half</b>	<b>1<sup>st</sup> Half</b>
	1 Oct 19 to	1 Oct 18 to	1 Jul 19 to	1 Jul 18 to
	31 Dec 19	31 Dec 18	31 Dec 19	31 Dec 18
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
Cash and cash equivalents at the beginning of the financial period	55,936	38,204	51,662	47,744
Effect of foreign exchange rate changes, net	(431)	(146)	559	1,167
<b>Cash and cash equivalents at the end of the financial period</b>	<b>49,817</b>	<b>36,480</b>	<b>49,817</b>	<b>36,480</b>
<b>Analysis of cash and cash equivalents</b>				
<b>Cash and bank balances</b>	<b>49,817</b>	<b>36,480</b>	<b>49,817</b>	<b>36,480</b>

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- 1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

### Statement of Changes in Equity for the Group

	Attributable to owners of the Company							
	Share capital	Treasury shares	Share premium	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1 Oct 2019</b>	<b>65,608</b>	<b>(90,042)</b>	<b>138,818</b>	<b>(60,503)</b>	<b>96,823</b>	<b>150,704</b>	<b>583</b>	<b>151,287</b>
Profit for the period	-	-	-	-	148	148	57	205
<b>Other comprehensive income</b>								
-Currency translation	-	-	-	(361)	-	(361)	-	(361)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(361)</b>	<b>148</b>	<b>(213)</b>	<b>57</b>	<b>(156)</b>
<b>Balance at 31 Dec 2019</b>	<b>65,608</b>	<b>(90,042)</b>	<b>138,818</b>	<b>(60,864)</b>	<b>96,971</b>	<b>150,491</b>	<b>640</b>	<b>151,131</b>
<b>Balance at 1 Oct 2018</b>	<b>65,608</b>	<b>(90,042)</b>	<b>138,818</b>	<b>(61,204)</b>	<b>90,355</b>	<b>143,535</b>	<b>-</b>	<b>143,535</b>
Profit for the period	-	-	-	-	372	372	-	372
<b>Other comprehensive income</b>								
-Currency translation	-	-	-	(144)	-	(144)	-	(144)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(144)</b>	<b>372</b>	<b>228</b>	<b>-</b>	<b>228</b>
<b>Balance at 31 Dec 2018</b>	<b>65,608</b>	<b>(90,042)</b>	<b>138,818</b>	<b>(61,348)</b>	<b>90,727</b>	<b>143,763</b>	<b>-</b>	<b>143,763</b>

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**Statement of Changes in Equity for the Company**

Company	Share Capital	Treasury Shares	Share Premium	Translation Reserve	Retained Earnings	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1 Oct 2019</b>	<b>65,608</b>	<b>(90,042)</b>	<b>138,818</b>	<b>(61,143)</b>	<b>76,900</b>	<b>130,141</b>
Loss for the period	-	-	-	-	(1,466)	(1,466)
<b>Other comprehensive Income</b>						
-Currency translation	-	-	-	(1,904)	-	(1,904)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,904)</b>	<b>(1,466)</b>	<b>(3,370)</b>
<b>Balance at 31 Dec 2019</b>	<b>65,608</b>	<b>(90,042)</b>	<b>138,818</b>	<b>(63,047)</b>	<b>75,434</b>	<b>126,771</b>
<b>Balance at 1 Oct 2018</b>	<b>65,608</b>	<b>(90,042)</b>	<b>138,818</b>	<b>(64,756)</b>	<b>81,872</b>	<b>131,500</b>
Loss for the period	-	-	-	-	(893)	(893)
<b>Other comprehensive Income</b>						
-Currency translation	-	-	-	(298)	-	(298)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(298)</b>	<b>(893)</b>	<b>(1,191)</b>
<b>Balance at 31 Dec 2018</b>	<b>65,608</b>	<b>(90,042)</b>	<b>138,818</b>	<b>(65,054)</b>	<b>80,979</b>	<b>130,309</b>

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**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There was no change in the authorised, issued and paid-up share capital of the Company since the Company's previous announcement.

As at 31 December 2019, the Company held 4,421,875 (31 December 2018: 4,421,875) treasury shares. There were no purchases, sales, transfers, disposal, cancellation and/or use of treasury shares during the 3 months ended 31 December 2019.

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	<----The Company---->	
	As at 31 Dec 19	As at 30 Jun 19
Issued shares	39,666,395	39,666,395
Less: Treasury shares	(4,421,875)	(4,421,875)
	35,244,520	35,244,520
<b>Total number of issued shares excluding treasury shares</b>	<b>35,244,520</b>	<b>35,244,520</b>

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

During the quarter, no treasury shares were used to satisfy the vesting of an equivalent number of share awards.

**1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

During the quarter, no sales, transfers, cancellation and/or use of subsidiary holdings.

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- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except for those newly applicable and amended International Financial Reporting Standards ("IFRS") that are effective for the financial period beginning on 1 July 2019, the Group has adopted the same accounting policies and methods of computations as stated in the audited financial statements for the year ended 30 June 2019.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

During the current financial period, the Group and Company adopted the IFRS 16 Leases which took effect from financial year beginning 1 July 2019. The Group has applied the modified retrospective approach and does not restate comparative amounts for year prior to first adoption.

Under the new standard, an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset included in the property, plant and equipment) and a liability to make lease payments (i.e. the lease liability included in the other payables) are recognised. Interest expense on the lease liability and the depreciation expense on the right-of-use asset are recognised separately in the income statement.

Right-of-use assets are measured using the cost model and are carried at cost less accumulated depreciation and accumulated impairment loss, if any, subsequent to initial recognition. The carrying amount for lease liabilities subsequent to initial recognition would take into account interest on the lease liabilities, lease payments made and any reassessment or lease modifications.

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6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	<-----The Group----->			
	FY2020 2 <sup>nd</sup> Qtr RMB cents	FY2019 2 <sup>nd</sup> Qtr RMB cents	FY2020 1 <sup>st</sup> Half RMB cents	FY2019 1 <sup>st</sup> Half RMB cents
Earnings per share	0.42	1.06	3.00	3.96
Weighted average number of shares	35,244,520	35,244,520	35,244,520	35,244,520

Diluted earnings per share for the three months ended 31 December 2019 and 2018 are the same as the basic earnings per share, as the Group has no dilutive potential during both periods.

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7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:(a) current financial period reported on; and (b) immediately preceding financial year.**

	<----The Group---->		<----The Company---->	
	As at 31 Dec 19 RMB (cents)	As at 30 Jun 19 RMB (cents)	As at 31 Dec 19 RMB (cents)	As at 30 Jun 19 RMB (cents)
Net asset value per ordinary share based on issued share capital (excluding treasury shares) at the end of period	426.99	422.43	359.69	361.35
Number of shares (excluding treasury shares)	<u>35,244,520</u>	<u>35,244,520</u>	<u>35,244,520</u>	<u>35,244,520</u>

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

### Review of the Performance of the Group

#### Revenue

Revenue increased from RMB3.02 million in Q2 FY2019 to RMB5.29 million in Q2 FY2020. The increase in revenue is due to the newly acquired company, Shanghai Xiyun Information Technology Services Co., Ltd., having contributed revenue of RMB1.9 million and the increase in the renter's unit rent.

#### Gross profit and gross profit margin

Gross profit was RMB2.49 million in Q2 FY2019 compared to RMB4.73 million in Q2 FY2020. Correspondingly, the gross profit margin of Q2 FY2020 rose from 82% of Q2 FY2019 to 90%. The increase in gross profit was mainly due to increase in revenue.

#### Administrative expenses

Administrative expenses increased from RMB1.95 million in Q2 FY2019 to RMB4.57 million in Q2 FY2020 mainly due to the operating expenses of RMB1.59 million incurred by Shanghai Xiyun Information Technology Services Co., Ltd., the third-party service fees of RMB 0.73 million related to the acquisition of business and operation, and consulting fee of RMB0.24 million was paid to former independent directors for work done for the acquisition of Shanghai Xiyun Information Technology Services Co.,Ltd and the proposed RTO exercise.

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### **Other gains**

Other gains increased from RMB0.16 million in Q2 FY2019 to RMB0.67 million in Q2 FY2020 mainly due to the increase of RMB0.39 million of rental deposit forfeited from defaulting lessee, the increase of RMB0.181 million of fixed deposits interest and fair value gain from financial assets at fair value through profit or loss, offset by the increase of RMB0.07 million on exchange loss.

### **Balance Sheets**

#### **Investment property**

This relates to the Group's investment property located in Xi'an which was leased out for generating rental income. This property is leased to business customers for science and education purposes.

#### **Right to use assets and lease liabilities**

In this period, the right to use asset is RMB0.045 million, the rent paid in this quarter is RMB0.026 million, the lease liability in the current period is RMB0.045 million. The asset is the office room rented by the Shanghai Xiyun Information Technology Services Co., Ltd., and the lease liability is the office rent to be paid.

#### **Goodwill**

Goodwill was generated by the acquisition of 80% equity interests in Shanghai Xiyun Information Technology Services Co., Ltd. as detailed in the Company's announcements released on 22 April 2019, 6 June 2019 and 27 June 2019.

#### **Cash and deposit balances**

Cash and deposit balances decreased from RMB51.70 million as at 30 June 2019 to RMB49.8 million as at 31 December 2019 mainly due to acquisition of financial assets at fair value through profit or loss with the idle funds from operation of RMB3.75 million.

#### **Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss increase from RMB2.95 million as at 30 June 2019 to RMB6.7 million as at 31 December 2019 due to acquisition of financial assets at fair value through profit or loss with the idle funds from operation of RMB 3.75 million.

This financial products are issued by China Merchants Bank with a risk rating of R2 (stable), relatively small principal risk, relatively controllable income fluctuation and redeemable at any time. The recent average annual yield is 2.8%.

Income from financial assets at fair value through profit or loss in this quarter is RMB0.057 million.

#### **Other payables**

This mainly relates to the deposit paid by Xi'an customers and accrued expenses, Among them, RMB1.1 million was collected in advance from the client's house rent, RMB2.64 million was payable as lease deposit by the lessee, RMB2.2 million was accrued staff costs, RMB10.86 million was

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accrued expenses and RMB2.56 million consideration payable in relation to the acquisition of subsidiary, Shanghai Xiyun Information Technology Services Co., Ltd, in June 2019.

### **Deferred tax liabilities**

It represented the tax effect of temporary difference arising from the fair value change on the investment property .

### **Cash Flow**

For Q2 FY2020, the Group recorded net cash used in operating activities of RMB1.93 million.

For Q2 FY2020, the Group recorded net cash used in investing activities of RMB3.73 million.

For Q2 FY2020, the Group recorded net cash used in financing activities of RMB0.026 million

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

No forecast or prospect statement had been made.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

As announced on the 5 February 2020, the proposed acquisition announced in September 2019 will not be proceeding, and the management will continue to seek new business opportunities and at the same time, focus on the Group's existing business. The negative impact of the novel coronavirus outbreak in China and other parts of the world to the global economy is a concern to the management. The management will continue to monitor the situation closely and consider any mitigation measures as necessary and practical.

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, and governmental and public policy changes. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events.

## **LCT HOLDINGS LIMITED**

*Incorporated in Bermuda  
Company Registration No. 35673*

### **11. Dividend**

#### **(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

None

#### **(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Dividend is before tax, net of tax or tax exempt : N.A.

(d) Date of Dividend payable : N.A.

(e) Book Closure Date : N.A.

### **12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**

No dividend has been recommended. The board of directors chooses to retain capital for future investment opportunities and liquidity.

### **13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT Mandate has been obtained, a statement to that effect.**

No IPT mandate has been obtained.

### **14. Negative Confirmation pursuant to Rule 705(5) of the Listing Manual**

The Directors of the Company confirm that to the best of their knowledge, nothing has come to their attention which may render these unaudited interim financial statements for the first quarter ended 31 December 2019, to be false or misleading in any material aspect.

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**15. Undertakings Confirmation pursuant to Rule 720(1)**

The Board of Directors of the Company hereby confirms that the undertakings from all its directors and executive officers as required in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual were procured.

**BY ORDER OF THE BOARD**

Mr Du Junqi

***Executive Chairman***

14 February 2020